

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
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IN REPLY REFER TO:

March 12, 2012

S.B. 2874, S.D.1
RELATING TO AIRPORT REVENUE

HOUSE COMMITTEE ON TRANSPORTATION

The Department of Transportation supports this Administration bill as amended. It will help provide the airports with additional revenue generating potential to meet the statutory requirements to be economically self supporting.

The Department notes however, that there are other bills being considered that would amend Act 104 to change the date of the reenactment of Section 261-7, Hawaii Revised Statutes.

Thank you for the opportunity to provide testimony.





SB 2874, SD1
RELATING TO AIRPORT REVENUE
House Committee on Transportation

March 12, 2012

9:00 a.m.

Room 309

The Office of Hawaiian Affairs (OHA) provides the following comments on SB2874, SD1, which would authorize the Department of Transportation to lease public land for non-aeronautical, revenue generation purposes by negotiation without public notice for a term of up to 35 years.

The Admission Act section 5(f) created the public land trust, pursuant to which certain land and the proceeds or income from the disposition of that land are to be held by the State of Hawai'i for five public purposes, including the betterment of the conditions of native Hawaiians. The majority of the state's airports are situated on public trust land.

Section 5(f) of the Admission Act, Article XII of the Hawai'i Constitution, Chapter 10 of the Hawai'i Revised Statutes, Act 178 (2006), and Executive Order 06-06 impose trust obligations with respect to the public land trust on all state agencies. Act 178 sets OHA's interim share of public land trust revenues at \$15.1 million per year. Executive Order 06-06 requires state agencies to transfer 20 percent of the revenues generated from their use of public trust land in order to meet OHA's annual \$15.1 million public land trust payment.

To ensure these obligations are satisfied, we ask that the following provision be added to Section 3:

Nothing in this section shall diminish the revenues owed to the Office of Hawaiian Affairs pursuant to Act 178, session laws of Hawaii 2006, or any other law providing for the Office of Hawaiian Affairs' pro rata portion of the public land trust, pursuant to article XII, section 6, of Hawaii's constitution.

Mahalo for the opportunity to testify on this important measure.